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DD/M&S 73-4776

FY 1975 Position Reductions in the
Management and Services Directorate

PART I

1. General Background.

25X9 a. Between the beginning of FY 1967 and the beginning
of FY 1974 the staff position strength of the M&S Directorate
has been reduced by [REDACTED] positions despite the fact that
positions transferred into the Directorate (Cable Secretariat,
OJCS) outnumber those transferred out (R&D, Covert Communica-
tions) by about 150. During the same years positions outside
the Directorate staffed by careerists from M&S components
have been reduced by more than 300. This means that M&S
25X9 positions throughout the Agency have been reduced by more
than [REDACTED] during these years. These reductions have been
accomplished without any identifiable reduction in the re-
quirements levied upon us for support and services; few of
the programs or activities of the Agency have been eliminated.
For the most part the reductions have been absorbed from year
to year by paring and belt tightening. Individual offices in
the Directorate are now convinced that further squeezing of
this kind can only impair their ability to fulfill the respon-
sibilities assigned to them.

b. To reach the FY 1975 ceiling goal in the M&S Direc-
torate 99 positions would have to be cut. In addition, 17
positions must be made available to accommodate new require-
ments and to offset reductions planned in FY 1974 but which
cannot be taken.

2. Positions Identified for Elimination.

A conscientious review of functions throughout the
Directorate has resulted in the identification of 30 posi-
tions which can be eliminated through reorganization and
realignment of functions.

a. Communications.

(1) Two of the 30 positions were authorized as an
increase in FY 1975 to support a switch program for
OJCS. The OJCS switch will permit the switching of

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remote data terminals to different OJCS computer systems, depending upon the requested application and computer availability. It will also provide an improved technical control system capable of testing line quality for up to 600 lines. The sacrifice of these positions will require that the installation of the switches be deferred.

(2) Eight of the 30 positions would be given up by eliminating the junior officer career development program in the Office of Communications. This program is used for the special broadening of selected, promising, technically qualified officers with the goal of developing senior communications experts and prospective future OC managers. Its elimination is expected to impact adversely on the technical competence of OC in the future and will be done reluctantly.

b. Finance.

(1) Four of the 30 positions would be given up by further paring and belt tightening in the Office of Finance as a pro rata share of the Directorate reduction, if that reduction cannot be achieved through the elimination of functions. Each of the basic functions of the Office of Finance -- accounting, certification and audit, disbursing and payrolling -- is essential to the support of Statutory requirements for the financial operations of any Government agency. The Director of Finance is concerned that he is already in a lean posture and that these reductions will impair his overall capability to fully satisfy all responsibilities concurrently with exercising new initiatives for the improvement and enhancement of systems and procedures.

(2) The Director of Finance also has urged that provision be made for approximately 15 additional positions for a Rotational, Training and TDY Cadre. About 60% of the professional Finance careerists are assigned outside the Office of Finance under the decentralized approach to the support of Agency financial operations. An estimated 15 man years of productive time is lost each year in rotation and training of personnel (time required for travel, home leave, overlap, pre-rotation orientation and training, language training, and post-rotation orientation and training), and in satisfaction of TDY requirements at locations where only one Finance

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Officer is assigned and has to be relieved during absences for annual, sick, or home leave. We recognize the validity of this requirement but have not found it practicable to allocate positions for this purpose during this period of position curtailment.

c. Joint Computer Support.

OJCS has identified one position which can be eliminated from its punched card processing function as a part of the 30.

d. Logistics.

Three of the 30 positions would be given up by the Office of Logistics. OL expects to reduce one position in the garage and one in the classified waste disposal facility as soon as the new Headquarters garage is activated and [redacted] destructive devices are installed. A third position will be eliminated from the Safehouse Branch by decentralizing some of the activities to other components.

e. Medical Services.

(1) From the beginning of FY 1967 through FY 1974 the Office of Medical Services has reduced from [redacted] to [redacted] staff positions, a reduction of nearly 21%. In an office of this size very few positions are dedicated to a single function or service. The reductions have been accomplished by paring and squeezing, some of which has been made possible by taking advantage of technological improvements. We see no way to reduce further the base of OMS without impairing its ability to perform minimum functions.

(2) In FY 1975 OMS requested and had approved an increase of two staff positions for continued development in the OMS Behavioral and Social Sciences Program. Despite the conviction that these positions are critical to a vital program, they have been included as a part of the 30 positions identified for sacrifice.

f. Personnel.

By further belt tightening the Office of Personnel can reduce by an additional four positions in FY 1975.

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g. Training.

Through reorganization and realignment of functions OTR will reduce six positions in FY 1975 as a part of the 30.

3. New and Offsetting Requirements.

We have requirements for 17 positions which will have to be made available to the Directorate in some way whatever reduction is finally assessed.

a. The Director approved the addition of five positions to the Information Systems Analysis Staff to perform the Agency's classification-declassification review function as required by Executive Order 11652, but did not authorize an increase in ceiling.

b. We had planned to abolish four positions in the



d. OC had planned a reduction of three positions in East Asia in FY 1974 but the situation has not stabilized as forecast and these positions will have to be reinstated in FY 1975 to serve the continuing requirements.

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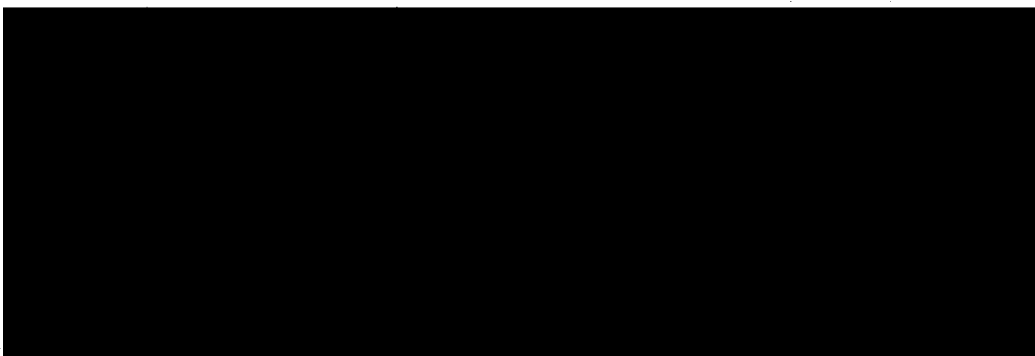
PART II

1. Functions Considered for Elimination.

If all 30 of the positions discussed in Part I are eliminated it will be necessary to reduce by an additional 69 if we are to reach the reduction goal of 99 established for FY 1975. If reductions to meet these requirements are to be taken within this Directorate they will have to be taken by elimination of specific functions.

a. Communications.

(1) Reductions in the Office of Communications beyond the 138 scheduled to be eliminated by the end of this fiscal year will cause serious problems. OC had scheduled an orderly reduction and phasing out of activities at [REDACTED] tied to the implementation of the staff satellite (SKYLINK) program. They were forced to accelerate the phase out at these locations 18 months to 2 years ahead of schedule in order to meet the reductions required in FY 1974. Failure of the Atlantic satellite in the summer of 1973 has placed an even greater burden on their capabilities in FY 1974. The overall OC staffing pattern has been cut to the point where the transfer of a position from one location to another creates a problem almost as critical as the one it solves, and new requirements continue to be generated. As mentioned in Part I, the communications workload at a number of stations such as [REDACTED] has increased to the extent that the addition of one position at each location is essential. No offsetting reductions in requirements are foreseen.

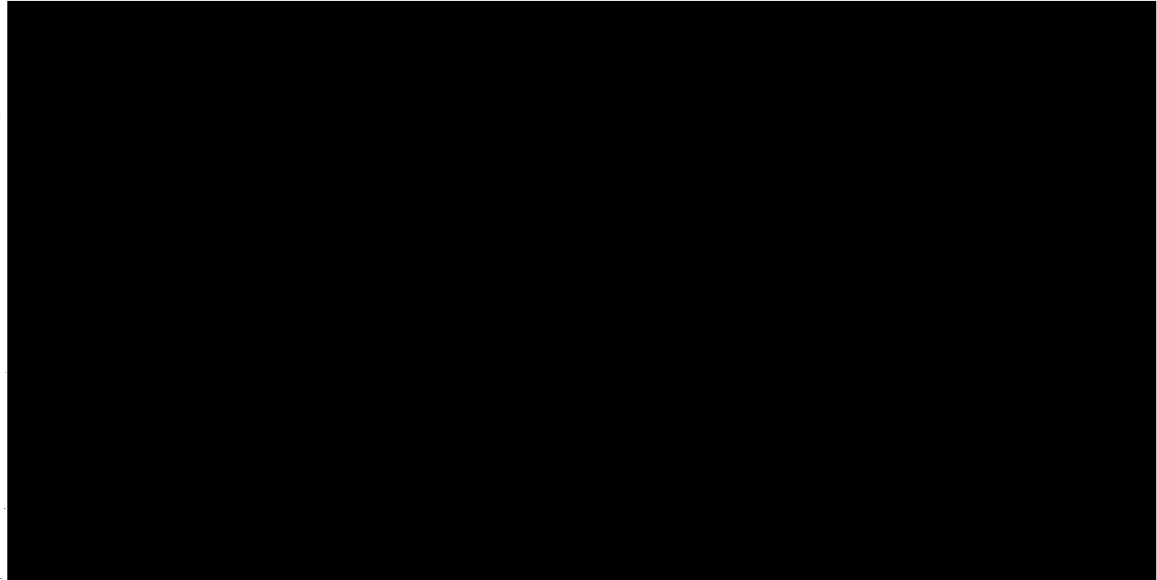


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(7) From time to time allegations are heard that the Office of Communications is "fat at Headquarters". The illusion is probably created by the use of aggregate numbers in summary program and budget submissions. Such numbers include the personnel who operate the Headquarters Signal Center, the Cable Secretariat, the 6th floor Data Communications Center, the operators of our telephone facilities, secure voice service and the like. Because they are physically located at Headquarters, these operational positions are perhaps subconsciously regarded as management overhead whereas in fact they are an integral part of the communications system. A further breakdown of functions under these major elements is available. The remaining positions which furnish management, administrative, and technical support, include positions to provide engineering services, covert communications support, communications security services, communications equipment test and inspection, and the like. A very small number are of the "management overhead" variety. We believe that further clipping at these functions will impair their effectiveness and contribute to the degradation of world-wide communications service which must meet requirements of the U. S. Government, not just CIA.

b. Finance.

(1) Between FY 1967 and FY 1974 the strength of the Office of Finance has been pared by more than 24%.

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(2) The Central Travel Branch of OF is among the functions performed in this Directorate which we have reviewed in terms of the contribution it makes to the Agency. Its elimination would permit a reduction of nine positions in OF, but would result in a transference of the functions to other components. The computation service could be assumed by travellers' components, and the audit and certification functions could be transferred to components staffed with certifying officers. When the CTB was first established in 1962 it was estimated that functions requiring 18.4 man years of effort spread among the various customer components could be satisfied centrally by the expenditure of 13 man years of effort. The functions being performed now with the 13 man years of effort despite a 50% increase since 1962 in the number of travel vouchers processed per year. The effectiveness of this increased productivity would be totally lost if the CTB functions were dispersed to components throughout the Agency, and it is virtually certain that other components could not absorb the total workload without an increase in manpower that would more than offset the gain to the Office of Finance in positions reduced. Dispersion of the functions would not be cost effective nor would it result in a net gain to the Agency, and we cannot recommend it. Nevertheless, if we are forced to reduce the strength of the Directorate by the number currently assessed, the CTB has to be among the functions we would identify to go first.

c. Joint Computer Support.

(1) Computers have helped organizations to do work they would otherwise have had to employ people to do. Since 1967 the ceiling for OJCS has increased from [REDACTED]. Some of this growth has been from consolidation of organizations with OJCS such as Central Reference Service and the Information Processing Branch of the Support Services Staff. In the CRS consolidation there was a net reduction in Agency ceiling of ten positions.

(2) OJCS furnishes direct computer support to components in the S&T Directorate through the assignment of people full time to user components. The people function under the management, direction and control of the components to which they are assigned

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but encumber positions on the staffing complement of OJCS. Six of these positions are assigned to OD&E and one each to OEL and SPS. Elimination of these positions would permit the OJCS staffing complement to be reduced by eight. The positions are not essential to the basic mission of OJCS. If they are essential to the DD/S&T, perhaps DD/S&T should furnish the positions. While this would contribute toward reaching the DD/M&S target for reduction, it would not, of course, represent a net reduction for the Agency. Nevertheless, the elimination of these positions from the OJCS staffing complement must remain an option.

d. Logistics.

(1) Between the beginning of FY 1967 and the present OL has reduced by more than 25%. You will recall that as a part of the FY 1974 requirement to reduce we proposed to eliminate seven staff positions in the Executive Dining Room and to furnish shuttle bus service by private contract, thus eliminating another ten slots.

(2) In order to meet the FY 1975 target for reduction we propose to transfer to the Government Printing Office or private contract the production of [REDACTED] unclassified publications. This would permit a reduction of eight positions in the Printing Services Division.

(3) Other things considered are:

(a) Elimination of the passenger vehicle service to permit a reduction of 11 positions from the motor pool. The requirement for passenger vehicle service would then have to be satisfied by "drive-it-yourself" vehicles, personal cars, or taxicabs. While positions would be saved, dollar savings would be offset against the expense of providing the alternate service. On the other hand, requirements for passenger vehicle service have increased recently, especially with the augmentation of the Intelligence Community Staff. It is expected to increase further as the fuel shortage becomes more acute and employees become unwilling or unable to use their personal vehicles.

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for official business. There are, of course, other factors which conflict with this proposal; the Agency bus system, and the proposed contract bus system, are limited in the places they can service; people using the passenger vehicle service are required to carry classified and bulky materials which, for practical as well as security reasons, cannot be carried by other means; and restricted parking at many of the buildings where Agency employees go to transact business makes it very difficult to use private vehicles.

(b) Short of completely abolishing the passenger vehicle service, the pooling of executive vehicles and chauffeurs could produce a savings of three of the seven positions currently assigned to this function. This would mean that no senior officer would have a specific assigned driver.

(c) The Office of Logistics is in the process of closing the [REDACTED] currently staffed primarily by contract and GSA-reimbursable personnel. Depending on a later review of the [REDACTED] residual activities, a saving of one staff position may be effected in FY 1975 or later years.

(d) The [REDACTED] is under review by the Office of Logistics and elements of the DDO to determine future paramilitary requirements and the level of the logistical base needed to support those requirements. It would be well to note, however, that this does not represent any large savings of staff positions because there are only five staff positions [REDACTED]

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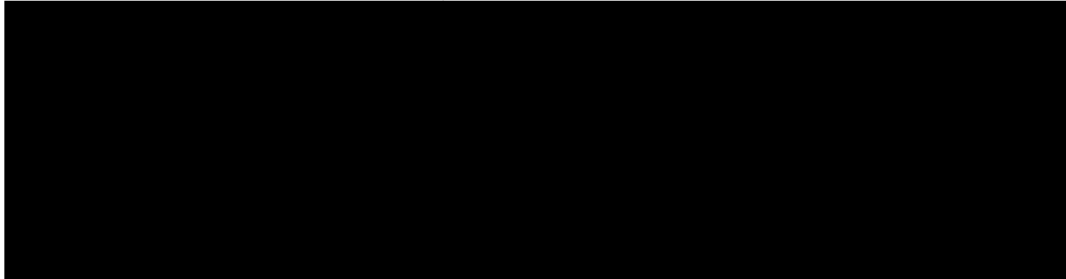
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e. Personnel.

(1) From the beginning of FY 1967 until FY 1974 the Office of Personnel has reduced from [REDACTED] positions, a reduction of 20%.

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(2) As described in the transmittal memorandum, elimination of the Central Processing Branch would permit a reduction of 27 positions in OP. We have considered this as an option on the theory that individual travellers can perform for themselves many of the services now provided by CPB; those which cannot be performed by the individual traveller could be absorbed by the administrative or support unit in his component. All of the arguments against the proposal to abolish the Central Travel Branch in the Office of Finance apply equally to the Central Processing Branch in OP. Dispersal of the functions in all probability would increase the number of man hours expended in processing the aggregate of the Agency's travellers. In addition, there are factors of cover and security involved in the process of obtaining passports and arranging for the shipment of personal effects which can be handled institutionally with less likelihood of compromise than if they were handled by individual travellers. Nevertheless, elimination of CPB remains an alternative which must be considered if we are to reach the total reduction goal.

(3) Elimination of collateral insurance programs such as Flight and Accident Plan, Income Replacement Plan, Air Trip Plan, WAEPA, and Dread Disease would permit the elimination of seven positions in OP. The Flight and Accident Plan has filled an important need for many personnel serving overseas, especially in war-risk zones. Elimination of this program would deny such employees insurance protection not obtainable elsewhere. At the present time [REDACTED] Agency

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employees are covered by WAEPA many of whom are under cover, and some of whom are under nonofficial cover. Termination of our WAEPA activity would require policy holders to transfer their enrollments directly to WAEPA; thereafter they would receive their bills directly from WAEPA and send premiums to WAEPA. Settlement of insurance claims often includes sensitive information which is currently protected through a special certification process. This would no longer be possible if policy holders were dealing directly. Elimination of these programs clearly would deny employees benefits not otherwise obtainable. Nevertheless, they are fringe benefits and in times of austerity we have to examine the question of whether the Agency can continue to provide these benefits to employees.

f. Voluntary Investment Program.

(1) We propose to require the Voluntary Investment Program to reimburse the Offices of Finance and Personnel for two positions (one each) in order that they can be removed from the ceiling count. The VIP Board estimates that this action will introduce what amounts to a 2% load factor which will have to be borne by the investors, and the Board is concerned that it will impact adversely on the attractiveness of the program to the investors; it may even mean the demise of the VIP.

(2) OJCS has identified a half a man year and \$4,000 a year in computer costs chargeable to VIP which should be included if VIP is to be made self-supporting even though this doesn't produce a measurable position saving.

g. Security.

(1) Between FY 1967 and FY 1974 the Office of Security has reduced fr [REDACTED] positions, a reduction of more than [REDACTED]

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25X1A [REDACTED]
total of 17 positions, but the functions probably will still have to be performed by other components with no net gain to the Agency.

h. Training.

25X9 (1) Between FY 1967 and FY 1974 the Office of Training reduced from [REDACTED] staff positions. [REDACTED] of these were converted from staff to contract. This means that the number of staff positions in OTR has been reduced by more than 52%; if contract positions are offset against this figure the actual reduction would be slightly over 30%.

25X1A (2) OTR projects an additional savings of six positions by redesigning Operations courses at the [REDACTED]. The number of Operations instructors required at [REDACTED] is dictated essentially by the number of Operations courses taught there, the instructor-student ratio needed for student counselling, and the number required to participate in practical exercises. A reduction of six instructors at [REDACTED] would affect the quality of instruction achieved, particularly in the practical exercises, but, while it is not a desirable action, OTR believes it can maintain the quality of instruction at an acceptable level. Some of the adverse impact might be offset by engaging retired Operations officers as independent contractors to perform role-playing tasks during training exercises.

25X1A (3) Another four positions can be saved in OTR by reducing agent and liaison training support to DDO. This would require that overseas stations refrain from asking Headquarters to train field agents and liaison personnel, leaving the Agent and Liaison Training Branch the job of training only nonofficial cover personnel and special cases that field stations clearly cannot handle.

PART III

Recapitulation.

- a. The Management and Services Directorate must identify 99 positions which can be eliminated in order to meet its target ceiling for FY 1975. An additional 17 positions must be made available to reinstate four positions to support Air America; provide five positions for the Information Systems Analysis Staff, and provide eight positions to meet new requirements for communicators.
- b. Thirty positions have been identified for elimination through realignment of functions, sacrifice of employee development programs, and the sacrifice of important new activities. These positions have been allocated as follows: OMS - 2; OTR - 6; OP - 4; OF - 4; OL - 3; OC - 10; and OJCS - 1. The remaining 69 (plus 17) will have to be acquired by a selection of activities to be eliminated from among the alternatives proposed, or positions will have to be eliminated elsewhere in the Agency to meet the overall Agency target.
- c. Elimination of the positions supporting the VIP program in the Offices of Finance and Personnel in all probability will mean the demise of the VIP program.
- d. Increasing requirements for communications support without offsetting reductions; the unlikelihood of developing a satisfactory solution to the [REDACTED] dilemma; and the impracticability of seeking an increase for the OEL data switch in this climate makes it unreasonable to expect OC to reduce by more than the eight they will sacrifice from their officer development program and the two for the OJCS data switch.
- e. We cannot recommend elimination of the Central Travel Branch from the Office of Finance or the Central Processing Branch from the Office of Personnel because it would require transference of the functions to other components, would not result in a net reduction for the Agency, and would not be cost effective.
- f. Elimination of the eight positions used by OJCS for direct computer support to DD/S&T components would require

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that the positions be furnished by the components being served and there would be no net savings to the Agency. Unless the components agree that the functions can be abolished, these positions should be retained.

g. Elimination of the passenger vehicle service seems unrealistic.

h. Elimination of collateral insurance programs would present cover and security problems, and deprive employees of benefits made available to them because the circumstances of their employment prevent their acquiring them by any other means. We do not consider this a desirable course of action.

i. Discontinuing the Office of [REDACTED]

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[REDACTED] with no net gain to the Agency and a serious loss in expertise.

j. Transferring the printing of [REDACTED] publications to GPO or private contract (8); pooling executive chauffeurs (3); revising operational training courses (6); reducing agent and liaison training (4); and eliminating the OEL data switch (2) would seem to be feasible courses of action subject to the agreement of the affected components. These actions would permit a savings of 23 positions in addition to the 30 already identified, leaving a balance of 46 (plus 17) to be made available from other sources. STATSPEC

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RECAP

Reduction required to meet target ceiling 99

Proposed for reduction:

OC	Career officer training	- 8
	Support to OJCS data switch	- 2
OF	Further belt tightening	- 4
OJCS	Punched card processing	- 1
OL	Garage, classified waste, & Safehouse Br.	- 3
OMS	Defer (or cancel) Behavioral & Soc. Sciences	- 2
OP	Further belt tightening	- 4
OTR	Reorganization	- .6
		<u>-30</u>

Additional viable options:

OC	OEL switch	- 2
OF&OP	VIP	- 2
STATSPEC OL	printing to GPO	- 8
	*Create Executive Motor Pool	- 3
OTR	Revise operational training	- 6
	Reduce Agent and Liaison Training	- 4
		<u>-23</u>

Alternatives not recommended:

25X1A OC	Reduce commo support to East Asia	- 5
	Close [redacted] agent commo	- 9
OF	Abolish Central Travel Branch	- 9
OJCS	Terminate customer support to OD&E, OEL & SPS	- 8
OL	*Eliminate passenger vehicle service	-11
OP	Abolish Central Processing Branch	-27
25X1A OS	Discontinue collateral insurance programs	- 7
	Abolish [redacted] Staff	- 2
	Discontinue servicing post office boxes	- 3
25X1A	Discontinue accommodate support	- 2
	Discontinue [redacted]	-10
		<u>-93</u>

Additional requirements:

O-DDM&S	Reinstate Air America support	4
	Create 5 for ISAS Classification-Declass.	5
25X1A OC	Create 5 Communicator positions for [redacted]	5
	Reinstate 5 Communicator positions [redacted]	3
		<u>17</u>

*We cannot exercise both of these options.

Elimination of the passenger vehicle service would

leave [redacted] of Release 2002/01/29 : CIA-RDP78-05343A000100140010-1

Motor Pool.

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